DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
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IN REPLY REFER TO

07 AUG 2000

From: Commander, Naval Facilities Engineering Command

Subj: EXECUTION OF DESIGN-BUILD CONSTRUCTION **(00-36)**

Ref: (a) NAVFAC policy of 31 Dec 98, Design and Construction Oversight Policy for NAVFAC Construction Work
(b) Chief Engineer memo of 18 Jun 98, Sustainable Development Implementation
(c) Acquisition memo of 7 Aug 00, Source Selection Evaluation Factors

1. Purpose: To establish policy and guidance for the application and execution of Design-Build (DB) as a project delivery method for construction contracts.

2. Background: DB has become an effective acquisition tool that has had positive effects on acquisition and construction time, project costs, administrative effort, construction quality, and has improved contractor innovation and use of emerging technologies. Due to the increased use of DB there is a need for policy and guidance on its use.

3. Policy: DB is increasingly becoming the procurement strategy of choice. However, the most appropriate, "best value" procurement strategy should be selected for each project. DB, as a tool, should be part of an overall balanced program acquisition strategy. The following is not meant to be a checklist that must be completed before a decision to use DB is made. Projects should be reviewed and an acquisition plan formulated based on the specifics of each project. Experience indicates that DB can be a successful strategy when:

a. The construction is not extremely complex or unique and industry standards exist.

b. The design of the project, to be used in a solicitation originally planned as Design-Then-Construct, is less than 35 percent before conversion to DB.

c. The use of DB does not significantly impact competition (e.g., the project value is large enough to warrant contractor proposal preparation costs).

d. A different acquisition tool will not produce better contract pricing, life cycle costs, and overall time savings.

e. National Environmental Policy Act requirements are complete or limited and do not require a significant level of design prior to contract award.

f. The use of DB does not adversely impact overall program execution goals for small business concerns (8(a), etc.).

g. The client accepts the use of DB as an acquisition strategy.

4. Design-Build Execution: The requirements of reference (a) apply. The appropriate level of engineering, contract, and construction management oversight is required regardless of acquisition method and must be appropriately engaged and employed. The Technical Evaluation Board and Source Selection Board should include Field Office and/or construction management personnel and licensed design engineers/architects in appropriate numbers and disciplines to objectively develop and evaluate the construction and technical engineering factors necessary to provide a "best value analysis." Client representation should be actively encouraged, however, total board membership should be kept to the minimum number necessary. After construction contract award, adequate design engineer/architect resources shall be employed in concert with field office efforts to ensure the DB contractor's proposed design complies with the contractor's proposal and the contract documents. Specialized expertise is available from the Naval Facilities Engineering Service Center as needed.

5. Solicitation Requirements: If a DB acquisition strategy is selected, performance (outcome based) specifications with minimal accompanying drawings should be considered the standard. However, circumstances or complexity of the acquisition may require an increased level of design guidance to the DB contractor in the Request for Proposal (RFP). The need for more detailed design drawings/guidance must be carefully evaluated to determine the strategy that optimizes resources and client satisfaction. Sustainable Development requirements identified in reference (b) are applicable to DB procurements. In all cases, the contract documents shall state that the contractor's final plans and specifications shall bear the professional seal, signature and date of the DB contractor's engineer(s) who shall be the designer of record. RFP Evaluation Criteria/Proposal submission requirements shall include the appropriate emphasis on engineering approach, in accordance with reference (c).

6. NAVFACENGCOM points of contact are Mr. Robert R. Boyer, Director of Acquisition, (DSN 325-9135) and Dr. Get W. Moy, P.E., Chief Engineer, (DSN 325-9165).

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Deputy Commander for Engineer Operations

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